GOVERNMENT OF INDIA
HEAVY INDUSTRIES AND PUBLIC ENTERPRISES
LOK SABHA

UNSTARRED QUESTION NO:1884
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Loss making CPSUs
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Will the Minister of HEAVY INDUSTRIES AND PUBLIC ENTERPRISES be pleased to state:

(a) whether it is a fact that around a dozen Central Public Sector Undertakings including BHEL are running in losses;

(b) if so, the details thereof, and the reasons therefor, State-wise;

(c) the losses and the profits of these CPSUs during the last three years; and

(d) the effective steps taken/being taken by the Government to make these CPSUs at par or better than the private/MNC players?

Answer

THE MINISTER OF STATE FOR HEAVY INDUSTRIES AND PUBLIC ENTERPRISES

(SHRI BABUL SUPRIYO)

(a) to (c): As per available information, 78 CPSEs including BHEL incurred losses during 2015-16. The state-wise details of their profits / losses for the last 3 years are given at Annex. The reasons for losses in CPSEs vary from enterprise to enterprise. However, some common problems for losses in CPSEs include old and obsolete plant and machinery, outdated technology, low capacity utilization, excess manpower, weak marketing strategies, stiff competition, heavy interest burden, high input cost, resource crunch etc.

(d): Performance improvement of CPSEs is a continuous process. Enterprise specific measures are taken by the administrative Ministries / Departments having jurisdiction over the concerned CPSEs and may, inter alia, include business restructuring, modernization and improved marketing strategies, etc. Financial and non-financial targets for the CPSEs are fixed and evaluated through Memorandum of Understandings (MoU). Department of Public Enterprises has issued guidelines for "Streamlining the mechanism for revival and restructuring of sick/ incipient sick and weak CPSEs: General principles and mechanism of restructuring". The administrative Ministries /Departments are expected to take measures for revival of loss making CPSEs under their administrative control on case to case basis.
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